

POWER EXPANDS UNDER NEW ACT

Two Billion May Be Issued, but Such Increase Is Unlikely to Come.

INFLATION BY DEPOSIT

How New Note Issues Might Work Out if Reserve Banks Secure 60 Per Cent of Country's Gold.

Previous articles have dealt with various possibilities of expansion and inflation arising from confidence, lower cash reserves, time deposits, Treasury deposits in banks, check circulation, and new forms of discount. The possible expansion in credit from the reduction in bank reserve requirements has been figured at between two and three billions.

As to the expansion, or the inflation, that may come time arise from the deposit of government gold or other money with the reserve bank, this is not at all dangerous because against Government money must be kept 25 per cent in lawful money reserve in the Federal bank. The danger here will arise, if even, when the government makes application to become a borrower, which can be accomplished only after amendment of the bank act. The government now has no commerce upon which it could make commercial paper for redaction.

Power to Expand.

The government today has far greater powers to expand credit by depositing its money directly in the national banks than it will have under this act, so far as it elects to deposit in the Federal banks.

The deposit of the government gold will give a basis for the new Federal notes whenever the commerce of the country shall demand them, which may not be for some years.

The purpose of this article is to show the possibility of expansion or inflation in this seventh form, or by the new Federal notes.

If the entire capital of the reserve bank is gold, or transmitted into gold, there is no deposit liability against such gold, and notes issued, as called for, to the extent of \$25,000,000 with full \$100,000,000 (furnishing the 40 per cent gold reserve).

So far as gold is paid in on reserve or deposit account—and these are one—a 25 per cent legal money reserve is maintained against the deposit liability.

As the member banks must maintain Federal reserve and working balances—and these are likewise one—and must make part of their payments during the year, the reserve banks in order to prevent contraction, the application for the new Federal reserve notes will come through member banks desiring currency, offering the security of their commercial redaction, therefore.

The maximum of currency to issue is measured by the maximum of gold that can be gathered in the reserve banks.

Gold in Federal Banks.

It is the theory of the best economists in the world that the new reserve banks will be in position to sift out all the gold from the circulating currency, and that this being to their interest they will in time accomplish it.

It is likewise possible, if not highly probable, that with the low cash reserves required of the member banks they will hold their secondary, as well as their larger reserve, in commercial paper ready for redaction with the Federal reserve banks in any emergency. They will, therefore, have no reason for the accumulation of gold and will be called upon, if necessary, by the Federal Board to pass over their gold to the reserve bank as preliminary to their redaction of the new currency, as gold must be 40 per cent base.

With the gold in the United States Treasury on deposit with the reserve banks, except the \$100,000,000 required to bind the local lenders, it is easily conceivable that the Federal reserve banks may become within a reasonable number of years the holders of substantially all the gold in the country, or say, \$1,000,000,000 of the total \$2,000,000,000 of gold out of the United States. Again the \$100,000,000 of gold representing capital account they may issue, as stated above, \$250,000,000 of notes, but against the balance, \$1,000,000,000, which may come in by deposit, there must be a reserve of 25 per cent, or \$250,000,000, which set aside from their total gold leaves \$1,000,000,000, against which two and one-half times this amount may be issued in new Federal reserve currency with the maintenance of the 40 per cent gold reserve.

Lawful Money Reserve.

Now let it be observed right here that the \$250,000,000 set aside against deposit liability need not be gold, but may be in "lawful money," so that the balance sheet given below may be worked out with only \$100,000,000 in gold, or with less than 50 per cent of the gold in the country in Federal reserve banks.

This \$100,000,000 gold, free from deposit liability, permits issue of a 40 per cent gold reserve base of \$250,000,000 of Federal reserve currency on the security of commercial bills.

Unless there is the inflation of rising prices, that could on the present volume of business be gathered together and counted "strictly commercial."

In balance sheet form this estimate of maximum possibilities works out about as follows:

ASSETS.	
Gold	\$100,000,000
Discounts	2,500,000,000
Total	\$2,600,000,000

Stork and Cupid Cunning Plotters

Many a New Home will Have a Little Sunbeam to Brighten It.

There is some dread in every woman's mind as to the probable pain, distress and danger of a childbirth.

But, thanks to a remarkable remedy known as Mother's Friend, the period is one of joy and anticipation.

Mother's Friend is a penetrating, external application. It makes the muscles of the stomach and abdomen pliant so they expand easily and naturally without pain, and with none of that peculiar nausea, nervousness and other symptoms that tend to weaken the prospective mother. Thus Cupid and the stork are rated as cunning plotters to herald the coming of a little sunbeam to gladden the hearts and homes.

Thousands of women know from experience Mother's Friend is one of our greatest contributions to happy motherhood. Sold by all druggists at \$1.00 per bottle. Especially recommended as a preventive of calving heat.

Write to Bradford Regulator Co., 231 Lamar Bldg., Atlanta, Ga., for their valuable book to expectant mothers.

ORIGINAL OF "INNOCENCE" SUED BY HER HUSBAND



MRS. VICTOR HARVEY BRIGGS.

New York, March 15.—It is perfectly absurd that my husband should subject me to this painting, said Mrs. Charlotte Briggs, the former Cleveland society girl, in discussing her husband's suit to annul his marriage.

"Why, he knew I was posing for paintings more or less classical. He referred to a painting called 'Innocence,' for which she posed. The painting looked like 'The Robbery' or 'The Sitting Position.' The only covering is a sweet smile spread over the features of the young model. It is a study for the establishment of his marriage on the ground that his wife's divorce from her first husband, Harold Porter, of Buffalo, is defective.

LIABILITIES.	
Capital	\$100,000,000
Deposits	1,500,000,000
New currency	2,500,000,000
Total	\$4,000,000,000
Deposits reserve, 25 per cent in gold	\$375,000,000
Gold reserve against notes, 10 per cent	\$250,000,000
Total currency now afloat, outside the banks	\$1,000,000,000

LODGE TO PRESERVE "WILD AND WOOLLY"

T. R. to Be Asked to Join Supreme Ranch of the World Established in Cheyenne.

Cheyenne, Wyo., March 15.—The true characteristics of the "wild and woolly West" are to be perpetuated, according to the articles of incorporation filed in Cheyenne for the establishment of the Supreme Ranch of the World, National Order of Cowboy Ranchers, with supreme headquarters in this city. It is a non-profit-making fraternal order, calculated to give to the real cowboys of the range and associate members whom they may elect, all of the elements of freedom and liberty best known to the men of the saddle and larrikin.

Former President Roosevelt, James C. Dabman, the "cowboy mayor" of Omaha; Lieut. Gov. Ingalls, of Kansas, and others on the stage of public life today are to be offered a place in the supreme ranch. "Ranchers" will be established in each State and every country where the raising of livestock industry flourishes. Many governors of the States of the West have joined the "Supreme Ranch." The real originators of the National Order of Cowboy Ranchers are A. U. Mayfield, a pioneer newspaper man of the West, who, in pioneer days "punched cattle" and Hermann H. Knabe, "cowboy editor," erstwhile the editor of the Medicine Bow Times, and a well known cattleman of the range.

The incorporators of the Supreme Ranch of the World are A. U. Mayfield, supreme boss; Hermann H. Knabe, supreme recorder of brands; Edward A. Sproul, supreme boss of the larrikin; Frank O. Scoggin, supreme boss of the saddle; Allen J. Read, supreme guard of the roundup; A. H. Lentz, supreme guard of the corral, and E. J. Kellihan, supreme boss of the spur.

REV. MAURICE DORNEY DEAD.

Chicago, March 15.—Rev. Maurice J. Dorney, one of the leading Catholic priests of Chicago, died at Mercy Hospital early this morning. He had been ill for three weeks of heart trouble. Father Dorney was internationally known as the "Stock Yards Priest." He was born in Springfield, Mass., sixty-three years ago. He came to Chicago when a child, received his education here, completing his theological studies at St. Mary's Academy, Baltimore, where he was ordained in 1874.

3 VICTIMS TAKEN FROM RUINS.

St. Louis, March 15.—Three more bodies were recovered from the Missouri Athletic Club fire ruins, bringing the total to twenty-nine, of which twenty have been identified. At least one more is expected to be under the debris. The Thursday before the several hundred bodies got into the basement, where it is expected bodies of which there is no record may be found.

Seven thousand six hundred and eighty-one persons were imprisoned for debt in England and Wales in the year 1911.

Motion Picture News A Daily Feature In The Herald

This daily news feature of The Washington Herald is for the benefit of everybody interested in motion pictures.

Suggestions, comments, criticisms, entanglements and business invited. Address communications to Motion Picture Editor, Washington Herald.

"A Modern Free-Lance," a new American release, is a romance of newspaper and theatrical life.

Robert Randall, a reporter, is ambitious to find a producer for the play he is writing. He has no money and time night writing the play that for several mornings in succession he overleaves and is late at the newspaper office. Finally he is told that he is neglecting his work and that his services will be required no longer.

The young reporter has been wooing Nedra, a young society woman. She rather favors Desmond, Robert's rival. When she learns that Robert has lost his position, she treats him with disdain. The young reporter, however, finds consolation and sympathy in the company of Mary Rollins, a pretty waitress in the restaurant where he takes luncheon.

With the money obtained from the newspaper upon his discharge, Randall locks himself in his room and with brief snatches of sleep and a few minutes taken to eat his meals, drives himself out to finish the play. At last the manuscript is completed and the young man starts to make the round of the theatrical producers.

When his supply of food is exhausted, Randall, weary with his daily tramping through the theatrical district, sits down on a park bench where he meets Mary, the pretty little waitress. When the terms of his distress, Mary smuggles food to him. Later Randall is knocked down and badly injured in the street.

While Randall is in the hospital his play, which he has left with a theatrical manager, is accepted and produced. The young reporter only learns of the success of the play when he leaves the hospital.

Nedra, learning of his triumph, calls upon her former suitor and tries to re-establish their friendship, but Randall shuns her and marries the little waitress.

Thrilling Story of Theatrical Life. Today, Colonial Theater, 277 Pa. Ave.—Adv.

"Such a Villain" has just been completed by the Nestor Comedy Company. It deals with the evil power of an unscrupulous hypnotist who casts his spell over a young woman and attempts to marry her. The hero perfects himself in the same occult study and practices his powers to frustrate the villain. When a number of the "thought-waves" become crossed, a laughable and absurd situation develops.

"Judgment of the Jungle," great three-reel wild animal drama, Empress Theater, today, 48 1/2 St. N.W.—Adv.

The creator of "Calamity Anne"—Louise Lester, of the "Frying Pan"—holds a unique place among screen artists. Miss Lester is both a dramatist and an actress of exceptional originality. As the writer and impersonator of the "Calamity Anne" character, as characterized by the American Company, she is known all over this country and abroad. "Calamity Anne" is a distinct contribution to American humor and character study. Miss Lester's quaint old woman of the West character is mentioned in the same breath with many of Mark Twain's personages.

"The Fall of France," stupendous production of the great battle, Franco-German War of 1870. Va. today.—Adv.

"The Second Generation" is a very strong Pathé drama along eugenic lines showing the evil of disregarding nature's laws.

Otto Reid, as young man, was told by his physician that he should not marry owing to a taint of insanity that had been handed down to him by his father and grandfather. Regardless of the warning he has married and at the time of the beginning of the play has a son Hugo, about thirty years old. Hugo has fallen in love with a beautiful girl and become engaged to her.

The family doctor repeats to the son the warning given the father years before and more mindful of his duty than his father was, he goes to his fiancée and tells her that he has learned that it would not be wise for him to marry. Irene cannot understand and is terribly hurt at the broken engagement.

Driven by his loneliness Hugo goes back to the company of Hazel Hamilton, whose influence upon his life has been the reverse of that of Irene. In her company he strives to forget, but in vain. In the meantime Irene spends her days in longing for her departed lover. One day Irene, while sitting with her embroidery on the bank of a beautiful river, sees drifting down the stream a canoe in which she recognizes Hugo with his head bowed and weeping.

She calls to him and he comes to the shore, but she runs back to the house, but before she has been recognized by the young man. He pursues her to the house and urged by his love attempts to win her back. Coming to himself he tells all to her mother and leaves the house for good.

Returning to his home he sees for the first time the signs of the hereditary taint in his father and is later himself driven away from the home mentally incurable.

"Discord and Harmony," gold Seal 2-reel drama, the first in a series of new pictures at the Empress Theater, 416 9th St. N.W., tomorrow.—Adv.

"Discord and Harmony," At the Empress, 416 Ninth street northwest, tomorrow.

The composer, Murdock MacQuarrie; the sculptor, Lon Chaneley; the artist, Allen Forrest; the pianist, conductor, James Neil; the girl, Phyllis Bush.

In this play, when it would appear that the screen art has been commercialized by many companies to a degrading extent, the times, when they give a supremely artistic interpretation irrespective of the melodramatic effects that might be gained by resorting to the more coarse and ordinary means adopted by the average, deserve special mention and appreciation. Phyllis Bush and Murdock MacQuarrie, who play the lead roles in this play, directed by Allen Dwan, are among these few.

It was during the production of this vitally interesting play that Director Dwan introduced the unique idea of having the various pathetic scenes were being acted. Perhaps this had something to do with the wonderful results obtained by all the players, and particularly Miss Bush and Mr. MacQuarrie. Certain it is that this play is a "Gold Seal" masterpiece, and certain it is that Miss Bush's part in the play is far above even the known ideal of what a moving picture actress should be expected to do. She conveys sentiment and emotion, not through definite action or movement, but almost wholly through the "windows of the soul," and by means of her expressive and eloquent hands.

Mr. MacQuarrie is especially noted for his ability at "make-up." He plays in this play the role of the composer, fashioned after the life of Beethoven. While Mr. MacQuarrie is comparatively a young man, one finds a complete transformation from the original in the character he portrays. He is a young man, not alone is the makeup of the most-skilled actor, but his study of a fast-aging man, highly temperamental, is of such a nature as to inspire enthusiasm of the noblest kind.

Arthur H. Rosson is the author of the play and both he and the director, Mr.

THE WAR DAY BY DAY Fifty Years Ago.

March 16, 1864—Lieut. Gen. Grant issued an Order at Nashville Assuming Command of All the Federal Armies, with Headquarters in the Field. Sherman to Be Grant's Successor in Command in the West.

(Written expressly for The Herald.)



AN INTERESTING WAR-TIME SKETCH OF GRANT. (From Leslie's Weekly.)

When it became known that Grant was to lead the Federal armies the illustrated papers of the North printed numerous sketches of him. This is a good example of the best of them.

Fifty years ago today Lieut. Gen. Grant issued an order at Nashville assuming command of all the Federal armies, with headquarters in the field.

It was with the greatest pleasure that Grant was to make one of his first official acts the appointment of Gen. W. T. Sherman as his successor in command of the military division of the Mississippi and the armies operating in it. This gave Sherman control of about 200,000 men, with 100,000 of whom it was designed that he should make a campaign against Atlanta in the early spring.

Of all the men who had served under him, Grant placed Sherman first in affection. Their friendship was deep and enduring, and manifestations of it in their correspondence are of an unusual character.

Sherman had been one of the first of the officers associated with Grant in the earlier part of the war to see the breadth of Grant's character and to recognize his great abilities.

When after Shiloh, Grant was in disgrace in the eyes of the public, and was practically robbed of command by Gen. Henry W. Halleck, it was Sherman who dissuaded him from a rash purpose to overtake the army of Lee, and who, after that hour of trial in which Sherman, coming to his tent, had found him with his baggage packed ready to depart for St. Louis, and had argued him out of such a step.

Throughout the Vicksburg campaign the confidence of Grant in Sherman had been strengthened by a perfect understanding and co-operation between the two men in everything they did relating to the siege.

Grant's Thanks to Sherman.

When Grant had learned, on March 4, that the bill reviving the grade of lieutenant general had become law and that his name had been sent to the Senate for confirmation, he wrote to Sherman the place, he paused on the eve of his departure for Washington to write a long letter to Sherman.

"Whilst I have been eminently successful in this war, in at least gaining the confidence of the public," he wrote, "I feel more than I know how much of this success is due to the energy and skill of those whom I have been my good fortune to have occupying a subordinate position under me.

There are many officers to whom these remarks are applicable to a greater or less degree, proportionate to their ability as soldiers; but what I want to express my thanks to you and to the men to whom I have above all others, I feel indebted for whatever I have had of success.

"How far your advice and suggestions have been of service, you know. How far your execution of whatever I have been given you to do entitles you to the reward I am receiving, you cannot know as well as I. I feel all the gratitude this letter can express, giving it the most fervent expression of my appreciation.

"The word 'you,' I use in the plural, intending it for Mr. Phelps also. I should write him, and will some day; but, starting in the morning, I do not know that I will find time now."

The Light Sherman Followed.

Sherman, not to be outdone in generosity by his friend, had sent a reply to Grant no less striking than the letter he had received.

"You do yourself injustice," he wrote, "and us too much honor in assigning to me the credit of the success of the campaign."

Dwan, as in line for much credit for the fine results attained in the play. After all his friends have left, the disconsolate from across the hall, seeks help of Felix. The old musician is touched, and all of his flowers, tributes to his success, he carries into the room of death and lends the girl such financial assistance as she sorely needs. The following day Felix adopts the girl as his ward. Lon, a sculptor, falls in love with her, and as an artist, he is attracted to her and is repulsed in his light advances.

Forrest circulates gossip to the girl's discredit, and finally on the eve of Lon's departure, he convinces Felix's friends that he is right. The old musician, however, notices that he is deserted by his friends. The friends hold a council and decide to tell Felix the kind of woman he is harboring.

Old Felix, after fully grasping what they mean, draws himself up proudly, and drives them from his studio. However, he is rendered more feeble by the reaction of his violent emotions, and the contemplation of the foul suspicions which have separated him from his old friends. But worry and worry and favors forgotten are too much for the old man. He staggers to his bedroom and dies.

The girl finds him there and carries the message of his death to his friends. They congregate and grieve that he has died, and forgive them, they play his last symphony.

Lon, the sculptor, has returned from Europe famous, and while the party of friends are yet at the death bed, he enters and greets the girl as his wife. The friends understand the injustice of their treatment of Old Felix.

THE NEW MEN'S SHOP

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OLYMPIC CONGRESS DELEGATES NAMED

Col. Robert M. Thompson, President of American Committee, Announces United States Representatives.

Special to The Washington Herald.

New York, March 15.—Col. Robert M. Thompson, president of the American Olympic committee, today announced the list of delegates who will represent the United States at the Olympic congress in Paris in June. The delegates are James E. Sullivan, of New York; Alfred L. Lill, of Boston; Everett C. Brown, of Chicago; Harris Lanning, of Princeton; Bartow S. Weeks, of New York; Joseph B. McCabe, of Boston; Dr. G. Randolph, of Washington.

The American delegation will make a strong fight to keep women from participating the events, while one or more foreign nations are anxious to have the congress draw up a code of rules governing all olympians.

BIG TIME IN MOBILE.

Mobile, Ala., March 15.—Following the proclamation of the mayor of Gulfport, Miss., where the Detroit American League team is training, declaring Thursday, March 17, a legal holiday in order that every person in the place can witness the game between the Tigers and the New Orleans (Southern League) team, all railroad shops, other industries and the public schools will close their doors. The town will be decorated in honor of "Ty" Cobb, who also makes his first appearance in the town.

A new law has come into effect in Greece which stipulates that all wages must be paid in cash, either weekly or three times a week.

A Salesman

mailed an important order to his house. The letter was delayed. The goods arrived 48 hours too late. A Western Union Day or Night Letter would have saved this salesman a customer. The cost would have been trifling.

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Every morning in The Herald you can read a complete short story and that same day see it fully illustrated in motion pictures at the photoplay theater near your home. The stories are most interesting and the photodramas wonderfully good. If you have been missing this big special treat, start with today's story.

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